

Speech: How universities can drive prosperity through deeper engagement

I'm delighted to be speaking here at the 2017 Higher Education Funding Council for England (HEFCE) conference. I hardly need to tell you what an important time this is for higher education in the UK.

Over the coming year, we will be putting into action the wide-ranging reforms set out in the Higher Education and Research Act (HERA).

Next year will see the launch of the Office for Students (OfS), which will take up the regulatory baton that HEFCE has borne for the past 25 years. I'd like to take this opportunity to thank Madeleine, Tim, and all the staff of HEFCE for their service.

The birth of the OfS will mean the establishment of a new regulatory regime, with a strong focus on accountability, value for money and the student interest.

Our work to implement the HERA will also bring into existence a new national strategic funding agency, UK Research and Innovation (UKRI).

This is an important time for research in the UK as we put science and innovation at the heart of our industrial strategy and it is on this vital area that I want to focus today.

We have made a significant commitment as a Government to increasing the amount of R&D the UK undertakes as a country.

Last year there was a £4.7bn increase by 2020/2021 we announced in the 2016 Autumn Statement, itself the largest increase to public R&D for 40 years.

Meeting the new target will not be possible without the concerted efforts of Government, businesses, charitable funders and of course our brilliant researchers, not just the homegrown talent but critically also those who have been drawn here from all over the world.

And this is what I would like to speak about today.

It goes without saying that UK universities are renowned for the quality of their research. Indeed, today the government is publishing analysis by Elsevier that shows that the UK continues to punch above its weight as a research superpower.

In particular, the research shows that although the UK represents just 0.9% of the world's population, we account for 9.9% of downloaded academic articles, 10.7% of citations and 15.2% of the world's most highly-cited articles.

Relative to its comparator countries, the UK continues to rank number one

Field-Weighted Citation Impact. This shows the vital importance of funding curiosity-driven research. It is something to be proud of and to protect.

But high quality publications do not by themselves guarantee impact in the world at large. Nor is there a simple, linear relationship between academic excellence and economic growth.

If the research that goes on in our universities is to have the greatest possible impact, our universities need to be deeply connected to the wider world. This is an important challenge for universities in any advanced economy.

But it is particularly important in the UK, because of the outsize role our universities play in our research and innovation system.

Over half of the money the UK taxpayer provides for R&D goes to the Higher Education sector – £4.8bn out of £8.8bn in 2015.

The result is that a far greater proportion of R&D – 26% – takes place in our universities – than in comparable countries, with 20% in France, 17% in Germany, 13% in the US and 12% in Japan.

This funding arrangement has helped ensure the excellence of British universities and their strong performance in international league tables, which give a heavy weighting to research.

But the fact that by international standards an unusually large proportion of our R&D activity takes place within our universities brings with it increased responsibilities.

Because they loom so large in our research ecosystem, it is particularly important that our universities engage with the wider world, and help to ensure that their work leads to wider economic and social benefits.

Today I would like to focus on two ways in which universities can help us achieve our ambitious goal: knowledge exchange, and international engagement.

Improving knowledge exchange

Universities' engagement with the wider world takes many forms.

Public attention often focuses on technology transfer, intellectual property (IP) licensing and high-tech spin-outs, but these are far from the only way universities contribute to innovation and growth.

Collaborative and contract research conducted with businesses, consultancy, training, and broader partnerships with businesses and with civil society are every bit as important.

And of course, most universities play an important local economic role, whether by participating in economic development efforts, in skills development or by acting as hubs for businesses.

The analysis of the 2016 Higher Education Business and Community Interaction (HEBCI) survey, which HEFCE is publishing today, shows that this wider economic engagement is growing more slowly than the economy as a whole, at 1 per cent, and from a low base. It is also highly uneven, with parts of the country benefitting from it more than others.

Comparisons of our commercialisation activity with that of the US are revealing.

We require about £5m more research spending to generate each new spin-off than the US does. And US higher education institutions earn almost 40% more IP licence income as a percentage of research resources than those in the UK

This is income that can be ploughed back into research in a virtuous cycle of scientific discovery and innovation. I see the evidence of this collaboration on the ground. Examples such as the collaboration between the University of Lincoln, Lincoln College and Siemens which is inspiring a new generation of engineering and scientific talent in the region. Or the decision by McLaren to site their new factory in Sheffield in order to collaborate with Sheffield University Advanced Manufacturing Research Centre.

But the system as a whole needs to find a new gear.

The University of Queensland on Australia's Gold Coast is one institution we could learn from. Its long-established tech transfer subsidiary, Uniquest, helps it generate over AUS\$30m a year from IP – more than any Russell Group university.

The rewards to good knowledge exchange can be very great: New York University earned more from Remicade, its blockbuster arthritis drug, in a year, than all UK universities put together.

Britain has had its home run successes too: consider the £64m that the Institute for Cancer Research made from licensing last year, or the University of Surrey's development of Surrey Satellite Technologies. But I would like to see these successes, and the wide range of business links that underpin them, become more common.

If we are to meet our national goals to increase R&D, we will need to continue to deepen these forms of engagement. Demonstrating this engagement and the associated economic impact will be important in making the case to the public and within government that increased public investment in research is justified.

We are taking a number of steps to drive engagement.

Increased weighting for impact in the Research Excellence Framework (REF) Impact

I welcome the decisions that HEFCE and HE funding bodies have taken to place greater emphasis in the next REF exercise on the impact of research – increasing weighting for impact to 25%).

Science & Innovation Audits are also helping to deepen the relationships between universities and their wider communities. Across the country, I have seen that the SIA process has not just identified the relationships between universities and their local partners, but helped define and strengthen them.

For example, the SIA for the Edinburgh City Region has helped them to develop a successful bid realising £300m in funding for data driven innovation. This maximises the opportunities afforded by the world class research base and will exploit the wide range of technologies being pioneered across the city region.

So, today I'm also announcing Wave 3 of SIAs – twelve more areas selected to map their local research, innovation and infrastructure strengths. As before, this round of SIAs will examine strengths in a number of sectors and disciplines, across the UK – from the Marine Economy in Scotland to Nuclear in the North West.

As before, this round of SIAs will be taken forward as collaborations between, universities, businesses and other institutions such as Local Enterprise Partnerships.

Measuring and funding knowledge exchange

One of the most powerful tools for increasing engagement has been our investment in Higher Education Innovation Funding (HEIF). HEIF underpins knowledge exchange and tech transfer capabilities and supports skills development and entrepreneurship.

It provides universities with the resources needed to invest in partnerships: from developing tech transfer offices, to helping ease the movement of staff between academia and businesses. Many of the most important collaborative projects in England were enabled by HEIF. That is why we are providing an additional £40m a year for Higher Education Innovation Funding to help support commercialisation, taking the total to £200 million for 2017-18.

In addition, we are also encouraging universities to collaborate on the commercialisation of research and working with business. HEFCE launched a £100m Connecting Capability Fund in April, and today I am also pleased to announce the first four funding projects, which will collectively receive just under £20m.

- The first project is a collaboration between a group of universities in the East of England – Essex, UEA, and Kent – which aims to address the region's productivity challenges by supporting company development and entrepreneurial skills growth.
- The second project is a collaboration between a group of HEIs in the North of England – Manchester, Leeds, and Sheffield – which aims to establish an investment fund to improve access to finance for university spinouts.

- The third is an extension of an existing collaboration between a group of universities in the South of England – the SET squared partnership – which aims to better support SMEs as they scale-up.
- The fourth is a collaboration between a group of universities and research institutes across the UK – Oxford, Birmingham, Dundee, and the Francis Crick Institute – which aims to support the development of new therapeutics to tackle age-related diseases.

Given the importance of knowledge exchange to the national mission of universities, I believe there is a strong case for doing more to measure how good a job universities are doing and to link funding more directly to such an assessment.

It is noteworthy that the UK university system has public frameworks to track two of the missions of universities – the REF for research and the Teaching Excellence Framework (TEF) for teaching outcomes – but nothing for the third mission of knowledge exchange and engagement.

Since its introduction under a different name in the 1980s, the Research Excellence Framework has become a familiar part of the higher education landscape, playing a vital role in ensuring we fund only excellent science.

And the more recently introduced Teaching Excellence Framework, entering its third year, is already, as Universities UK's (UUK) recent poll shows, acting as a powerful incentive on universities to focus on teaching quality and student outcomes

I am keen to explore what more we can do to evaluate the extent of knowledge exchange, engagement, collaboration and commercialisation – the impact that universities are having on the economy – and to recognise which of our universities are leading the way.

I see a key role for an enhanced performance assessment in creating a constructive competitive dynamic between institutions that incentivises them to make the most of opportunities they have for knowledge exchange.

We have the building blocks for such an assessment with the work undertaken by the knowledge exchange steering group led by Professor Trevor McMillan and considerable amounts of relevant data are already gathered, not least through the HEBCI survey and the HEIF process.

And there is evidence that there is excellent practice on knowledge exchange throughout the system: from Russell Group universities like Oxford and Leeds to newer institutions like Anglia Ruskin and Hertfordshire.

But at present this information is hard to access. And it is not weighted to reflect the differences in size and research income between different institutions. Therefore it does not have the impact it might in terms of identifying outperformance and underperformance.

With this in mind, I will be asking Research England within UKRI, working with the OfS, to consult with the sector and advise on the development of a new, public Knowledge Exchange Framework (KEF), that brings together a comprehensive range of measures of impact from collaboration and knowledge exchange.

Our ambition is that the new KEF will become an important public indicator of how good a job universities are doing at discharging their third mission, just as the REF rewards excellence in research and the TEF rewards excellence in teaching and student outcomes.

This will enable universities to benchmark and develop their own performance, and will increase universities' accountability to taxpayers, local government and businesses.

Increasing HEIF

Alongside better data on knowledge exchange, there is also a case for greater investment that is directly linked to institutional performance in terms of knowledge exchange and tech transfer.

I am struck whenever I visit universities by the impressive initiatives and ventures that have been enabled by HEIF funding.

The University of Central Lancashire, which established its Centre for SME Development in 2016, is a case in point. Its first annual report showed that it had interacted with more than 500 Lancashire SMEs. Its current funded business support projects for SMEs are worth almost £10m and are set to reach almost 1,000 SMEs in the region.

Or take Reading University, which is investing in a new inter-disciplinary Centre for Food, Nutrition and Health. This will extend its relationships with the agri-food industry, enabling it to deliver research, innovation and education that addresses their needs and contributes to economic growth in the sector.

I believe it is possible to do more. We have already reiterated the important contribution that HEIF is playing to the delivery of our Industrial Strategy through the £40m pa uplift taking HEIF to £200m in 2017-18. The Witty Review recognised the critical role of HEIF and recommended increasing funding to £250m pa and I am keen that we take steps to do so.

In addition, I am asking UKRI and Research England to consider the right balance between HEIF and quality-related (QR) funding – so that as we give recognition to the vital role that universities must play in their engagement with others in the UK economy, we do not lose sight of the need to support curiosity-driven science that has no immediate commercial goals.

This is not just because the pursuit of knowledge is the hallmark of a civilised society, and a good thing in and of itself, but because unanticipated scientific breakthroughs can turn out to be even more valuable than the outcomes of agenda-driven research.

I believe this stronger commitment to knowledge exchange and engagement will give universities the confidence they need to set ambitious plans and bold partnerships – benefitting national and local economies, and society at large.

International engagement

The second aspect of deeper engagement I would like to discuss is engagement with the wider world. Today's Elsevier report shows the remarkable global reach of UK research. It shows that over 51% of all UK publications in 2017 were co-authored, highlighting that UK researchers are highly collaborative internationally. The only other comparator country to surpass the UK was France, ahead of the UK by just 0.3 percentage points. And the UK's share of international co-authorship has increased annually from 2010.

Importantly, internationally co-authored articles are generally associated with a higher field-weighted citation impact. Continuing to work with international partners is critical – our research strength and our innovation have been built upon a history of collaboration.

As the Government set out in its recent paper, we will be seeking an ambitious science and innovation agreement with the EU – one that continues high levels of collaboration with European partners on major science, research, and technology initiatives.

In her Florence speech, the PM set out the UK's commitment to developing the deep and special relationship we have with Europe. She said "We may be leaving the European Union, but we are not leaving Europe". Continuing with – and building on – our collaboration with our European partners will remain critical to our long-term economic development. So, we have made our intentions clear in this area.

We want to remain a player in European science, research and innovation programmes. And we will continue to attract the best talent from across the world, including the EU.

The UK will continue to welcome the brightest and best from across the world, including the EU. The UK will remain a hub for international research and innovation talent.

So, we will continue to increase our levels of international engagement on science research and innovation. Not just with Europe, but across the world.

For example, UK-US collaborations have resulted in 26 Nobel prizes for science and economics. Nearly 14% of the UK's internationally co-authored papers are with the US, almost double the next nearest country – Germany. And the UK is the number one destination for US R&D company investment outside of the US, accounting for over 10% of US foreign R&D investment.

That's why, last month I signed the first formal Science and Technology Agreement with the US, providing a framework for UK institutions to collaborate on joint scientific research and technology programmes with the

US.

We recently agreed to invest £65m in our ongoing partnership with the United States on the Deep Underground Neutrino Experiment, which will probe fundamental questions about the nature of matter and the evolution of the universe.

Alongside this, we have signed a new Memorandum of Understanding (MOU) with Canada which will strengthen bilateral cooperation in science, technology, innovation and entrepreneurship. The MOU kicks off work to build lasting partnerships between our science and innovation agencies, and will initially focus opportunities in the fields of quantum technology, clean technology, agri-tech, and advanced manufacturing. But we don't want to stop there – this is a model that we are keen to repeat with other countries to further expand and enhance our global partnerships.

And that's why I'm pleased to announce that Government is investing an additional £18m in the Rutherford Fund this year in 2017/18 to attract the brightest research talent to the UK. This builds on the £100m that we have already committed to Rutherford over the next 4 years.

This new funding will enable more than 200 additional significant fellowships to start in the current financial year, at our world class institutions, including at the Crick and the Turing Institutions, at UK museums, at the British Academy and at UK universities. It also includes 50 Commonwealth Fellowships.

Our ongoing investment in talent will help to reinforce the UK as the go-to country for innovation and discovery.

Reinforcing the importance of the humanities and social sciences, £5m of this global talent funding is through the British Academy's flagship Post-Doctoral fellowship scheme with leading universities – delivered alongside a further £5m to support and develop domestic research talent.

Conclusion

So, Science, Research and Innovation are central to our industrial strategy and will be critical to the UK economy in the future – it improves our productivity, the economy and helps people prosper across the country. Universities' engagement and collaboration with others – domestically and internationally – is now more important now than ever and I and other Ministers in this Government, through our industrial strategy, will be doing everything we can to support them.

Thank you

News story: Appointments to the Civil Justice Council

Jo Hickman and Gareth Hughes have been appointed to the Civil Justice Council (CJC) from 30 September 2017 to 29 September 2020, whilst Andrew Parker and William Wood have been reappointed from 11 September 2017 to 10 September 2020.

Jo Hickman is currently the Director of the Public Law Project (PLP). Previously, she was Head of Casework at PLP and a solicitor at Fisher Meredith LLP. In both roles, she managed active public law and judicial review caseloads.

Between 2002 and 2005, Jo was a caseworker at Refugee Legal Centre, representing asylum claimants in the Oakington fast-track. She is a member of a member of the Law Society Access to Justice Committee, and a Management Committee member and Treasurer of the Legal Aid Practitioners Group.

Gareth Hughes is the Chief Executive of Marston Holdings. From 2010 – 2012, he was the Deputy Chief Executive of Marston Holdings. Gareth was the Commercial and Finance Director of Marston Holdings, from 2007 – 2010. He was a Corporate Finance Executive at Old Mutual Securities from 2000 to 2002. Gareth was also a Financial Services Executive at KPMG.

CJC is responsible for keeping the civil justice system under review, advising on change and procedural reform and considering how to make the system more accessible, fair and efficient.

These appointments and reappointments have been made in line with the Commissioner's Code of Practice for Ministerial Appointments to Public Bodies.

News story: Rolls-Royce Director of Manufacturing to speak at Innovate 2017

Will robots take our jobs...and possibly our lives? How can we benefit from the seismic explosion of data and machine autonomy? This is one of the challenging topics on the agenda at next month's [Innovate 2017](#), the UK's leading innovation conference.

Presenting their thoughts on automation and the impact of the 4th industrial

revolution will be Hamid Mughal, Global Director of Manufacturing at [Rolls-Royce](#), and Noel Sharkey, Emeritus Professor at the [University of Sheffield](#).

They'll be joined on stage by Lord Battacharyya, founder and chairman of the [Warwick Manufacturing Group](#), and Tabitha Goldstaub, co-founder of [CognitionX](#).

Speakers and topics

Among the programme of speakers, workshops and networking sessions are:

- Juergan Maier, Chief Executive Officer at [Siemens](#), on the UK's evolving place in the world
- Dr Trudie Lang, Professor of Global Health Research at [Oxford University](#), on curing the world of all diseases
- Professor Sir John McCanny from the [Centre for Secure Information Technologies](#) at Queen's University Belfast, on securing the cyber world
- Kate Hofman, Chief Executive at [Growup Urban Farms](#), and Mark Swainson, Deputy Head and Lead for Higher Education and Research at the [University of Lincoln](#), on the challenges of feeding a planet of 10 billion people
- Mark Boggett, Chief Executive at [Seraphim Capital](#), and James Hinds, Head of Strategy for Space Systems at [Airbus Defence and Space](#), on the new era in space

About Innovate 2017

Innovate UK's annual event brings together the brightest and best in UK innovation. It provides a chance to network with investors, hear from pioneering thinkers and find out about a range of expertise and government support to help you innovate and grow your business.

Innovate 2017 will explore major themes such as robotics and urban planning and what this means for the individual, business and government. Other topics include artificial intelligence, smart cities, alternative food sources and space exploration.

This year's event takes place from 8 to 9 November 2017 at the [National Exhibition Centre](#) (NEC) in Birmingham. A one-day ticket is £150. It is £199 for both days.

Highlights from Innovate 2016

[Highlights of Innovate 2016](#)

[Press release: Priti Patel will double](#)

the next £2 million of public donations to the Disasters Emergency Committee appeal for people fleeing Burma

In response to the staggering public support for the [Disasters Emergency Committee \(DEC\) Appeal](#) for people fleeing the violence and destruction in Burma, the UK Government will match pound for pound the next £2 million raised, the International Development Secretary Priti Patel announced during a visit to the DEC today (Thursday 12 October).

This is in addition to the £3 million in public donations already matched by the UK, which has helped Britain raise £9 million.

The new support will double the impact of the public's own donations and ensure that charities working on the ground can reach even more innocent men, women and children who have been forced to flee the relentless violence and atrocities in Burma, and make the treacherous journey to Bangladesh to seek refuge.

Moved by the scale of the crisis and the generosity of the British public, Ms Patel visited the DEC headquarters today where she met with British aid workers who have recently returned from Cox's Bazar where they have been helping to save the lives of Rohingya victims of persecution and brutality.

International Development Secretary, Priti Patel said:

The generosity of the British public and the speed in which they have responded to this appeal is overwhelming. Every penny raised is making a significant difference for victims of the ethnic cleansing being inflicted by the Burmese military.

The UK Government is working at every level to ensure that lifesaving aid reaches those in dire need right now. Thousands of shelter kits, sleeping mats and thermal blankets have already been distributed in Cox's Bazar and more aid is on the way to support the half a million people forced to leave everything behind in Burma and make the perilous journey to Bangladesh.

The British public has played a remarkable role and they should know that their donations are saving lives. Malnourished children on the brink of death will now be able to eat, families who have been forced to live out in the open after their villages were burned will get shelter and much needed clean drinking water will be provided to help stop the spread of disease.

It has been a privilege to meet brave British aid workers who have

returned from Cox's Bazar, supporting innocent people who are grieving the loss of loved ones and are uncertain what their futures hold.

The humanity they and the British public have shown is a stark contrast to the inhumanity of the Burmese authorities. They need to stop the inhumane violence, allow people to return to their homes safely and ensure immediate access into northern Rakhine so that UK aid can provide a lifeline to those suffering.

This brings the UK's contribution to £5 million over the course of the DEC appeal and will provide vital and life-saving emergency supplies. Today's new support is on top of support that the UK is already providing to people who are in desperate need of food, water and shelter.

Notes to editors

- The DEC brings 13 leading UK aid charities together in times of crisis: ActionAid, Age International, British Red Cross, CAFOD, CARE International, Christian Aid, Concern Worldwide, Islamic Relief Worldwide, Oxfam, Plan International UK, Save the Children, Tearfund and World Vision; all collectively raising money to reach those in need quickly.
- As of Wednesday 11 October, £9 million has been raised of which £3 million has been aid matched by the UK Government. DFID aid matches public donations from British taxpayers, but others can contribute including non-British taxpayers and businesses.
- The UK is appalled by the violence taking place in Rakhine State, particularly by the hundreds of thousands of people fleeing that violence and the reports of grave human rights violations taking place. Britain urgently calls upon the Burmese military to end the violence in Rakhine and the Government of Burma to allow immediate and full humanitarian access and support for the people and communities affected.
- As of Sunday 8 October, 519,000 people have fled the violence into neighbouring Bangladesh as a result of Burmese military and militia violence. This looks like ethnic cleansing; we need to see these people able to return to their homes in Burma safely. The Burmese and Bangladeshi authorities are discussing a refugee return process. But we will need to see this agreed and implemented and the Burmese authorities need to show the Rohingya will be safe when they return.
- The UK has been a leader in responding to the crisis – in speed and size – to help meet the urgent humanitarian needs of vulnerable men, women and children in both Bangladesh and Burma.
- Prior to the latest violence which began on Friday, 25 August 2017, we committed £5.9 million to meet the needs of the most vulnerable refugees and the host communities who support them. In response to the latest influx we have provided a further £30 million of humanitarian support.
- Our existing work in the region meant that we were already in position to provide life-saving support when the crisis flared – without this, aid would have taken much longer to reach those in need. And we are sending more aid to Bangladesh.

- Through our partner, the International Organisation for Migration (IOM) 10,000 shelter kits, 10,500 mats and 20,000 blankets were distributed recently. Emergency shelter for up to 26,355 people has already been provided since the first refugees made their way to Bangladesh.
- In Rakhine State in Burma, aid workers have been getting British-funded humanitarian assistance to many tens of thousands of people. DFID's partners are ready to provide emergency food to 30,000 people and to treat more than 3,000 severely malnourished children and pregnant women, but the Burmese authorities must stop refusing to grant access.

ENDS

[Speech: Secretary of State's speech at NILGA Annual Conference](#)

Thank you Noel for that introduction, and thank you to Derek and the wider NI Local Government Association for the kind invitation to speak at this conference today.

Local Government is a crucial part of our democratic system and the role played by all of you here cannot be underestimated.

Since 2014, we have seen Northern Ireland's 11 local councils step up to the mark and use their increased powers over planning, investment and tourism to deliver more and better services to local residents, making a real difference to the local economy.

And in the recent absence of an Executive, that role, in making the local voice heard in policy making, has been even more important for the constituents and communities that you represent and serve.

I pay tribute to you for getting on with the job and delivering for the people of Northern Ireland.

There are challenges we face in stimulating the economy, exiting the EU and in restoring a devolved government to Northern Ireland. These are national issues, but it is at the local level that we see their effects take shape.

But we can take comfort, at all levels of government, in knowing that we all share the same ultimate ambition to build a safe, fair, stable and prosperous Northern Ireland for the benefit of all people.

And the only way we can do that is by working together, as partners and taking confident strides forward, in the knowledge that we have a platform of great success to build upon.

And we should acknowledge and celebrate that success. Nearly two decades since the Belfast Agreement, we have seen Northern Ireland transformed from a place which had struggled to attract investment against a backdrop of terrorism and instability, to becoming one of the most popular locations in the UK for attracting foreign direct investment.

In Northern Ireland alone there are 43,000 more people in work with 10,700 new private sector jobs over the past year alone, bringing private sector jobs to a series high.

Job creation has been supported by Northern Ireland's continued success in securing new Foreign Direct Investment and of course by the strong performance of some key industries such as tourism, pharmaceuticals and Northern Ireland's world leading Cyber Security sector.

Your local council areas will most likely be home to at least one of over 800 international companies located here in Northern Ireland and the UK Government will continue to do all it can to promote Northern Ireland as a great place to live, a place to invest and a place to succeed in business.

So overall, the picture is one of solid growth, increasing output, falling unemployment, and job creation. But we must continue to move forwards.

Future prosperity will be at the heart of our discussions on EU Exit.

The UK voted to leave the EU but that does not mean we are turning our backs on our friends and partners in Europe.

And as a Government we are committed to securing a deal with the EU that works for the whole of the United Kingdom, including Northern Ireland. That was clear from the Prime Minister's speech in Florence last month, and in the position paper on Northern Ireland that was published over the summer.

As we do, we want to continue to hear a wide range of stakeholder views. And on that basis, we welcome your publication on 'Brexit and the Border'.

The paper brings out some key themes.

While it highlights some of the challenges for the border corridor, it also reveals the opportunities arising against a backdrop of better than expected performance in both the Northern Ireland and the Republic of Ireland economies.

And it highlights too the importance of continued engagement with Local Authorities and other stakeholders to ensure that any opportunities arising from Brexit can be grasped.

In response, I want to reassure you all today that this Government wants arrangements to be as seamless and frictionless as possible for moving goods between Northern Ireland and Ireland, to ensure that local businesses can get on with the job.

As you will know, we have put forward two possible options: a highly

streamlined customs arrangement and a new customs partnership.

We also set out in detail in our paper on Northern Ireland/Ireland a range of further measures we want to explore with the EU, including an extensive small business sector carve out, designed to ensure that smaller traders could continue to operate as they do now, with no new requirements in relation to customs processes.

These are bold and imaginative proposals to the issue of free flow of goods across the border with Ireland. And we would encourage everyone to get behind that debate as we look to develop the next stage of detail.

But of course the open border is about more than goods, it is also fundamentally about people and communities. The UK and the EU have committed already in negotiations to protecting the Belfast Agreement and the Common Travel Area.

The UK Government wants to protect the ability to move freely within the UK and between the UK and Ireland with no practical change from now, recognising the special importance of this to people in their daily lives, and the underpinning that it provides for the Northern Ireland political process.

We also recognise that investors, businesses and citizens in both the UK and the EU, and beyond, need to be able to plan ahead. We want to avoid any cliff-edge and it is clear that what would be most helpful to people and businesses on both sides, is for us to agree detailed arrangements for an implementation period, to ensure there is only one set of changes as we move from our membership to our future partnership.

As the Prime Minister said in Florence, and again in her statement to Parliament earlier this week, at the heart of these arrangements, there should be a clear double lock: a guarantee that there will be a period of implementation giving businesses and people alike the certainty that they will be able to prepare for the change; and a guarantee that this implementation period will be time-limited, giving everyone the certainty that this will not go on forever.

I am pleased we have made good headway on agreeing shared principles on the preservation of the Common Travel Area. We have also made good progress discussing the citizenship and identity rights provided for in the Belfast Agreement, as well as scoping the North-South co-operation that currently takes place under the Agreement.

As I have made clear, future prosperity will be at the heart of our discussions on EU Exit.

But if we are to make real progress on prosperity in Northern Ireland we need a functioning, effective devolved government.

A devolved government that can:

- Continue to contribute to the important discussions about how the UK will leave the European Union alongside the devolved governments in

Scotland and Wales

One which can:

- Support continued economic growth in Northern Ireland and make the important decisions facing Northern Ireland's public services.

And one that can:

- Engage in the debate with NILGA representatives and councils on the key issues facing its members, such as the future role of local government and the balance of powers between the Executive and councils or indeed local priorities for infrastructure and investment.

The absence of an Executive, and the lack of political direction on these important issues, is simply not in the best interests of Northern Ireland.

It is important for growth, prosperity and for the people of Northern Ireland, that we see devolved Government return and return as soon as possible.

This is why I have been working intensively with the Northern Ireland parties and the Irish Government, consistent with the three stranded approach, towards reaching an agreement which will pave the way for the formation of an Executive.

The DUP and Sinn Fein have been in intensive discussions together and have made some progress in closing the gaps between them, including on issues of language and culture.

I have been clear with them that the window for restoration of devolution in Northern Ireland is short; and that we are reaching a critical point at which I would have to consider next steps. I have been very open about this. Now is the time for the parties to look beyond their differences, harness a spirit of compromise and reach agreement.

It would be with great regret and reluctance that increased political decision-making from Westminster would become a reality. But if a deal is not reached imminently, that greater intervention, beginning with Westminster legislation to set a 2017/18 budget for Northern Ireland, risks becoming inevitable.

This would be a big step backwards, a step I do not want to have to take. But I will not shirk from my ultimate responsibility for good governance and political stability in Northern Ireland.

This can be avoided. Devolved Government can be achieved with political leadership at a central and local level.

With support of the people, communities and businesses of Northern Ireland we can unlock the opportunities that we see in front of us:

With a devolved government in place we can work with the restored Executive

on options for the devolution of corporation tax and take forward work on our commitment to work towards a comprehensive and ambitious set of City Deals for Northern Ireland to prosper.

City Deals is a subject close to my own heart, and I will be engaging with Government colleagues to take this work forward in earnest.

Ultimately of course, we need to work closely with the NI departments as well as local Councils and local business stakeholders. And for that, we need an effective, inclusive Executive back up and running again.

I see a bright economic future for Northern Ireland – one that this Government will continue to support.

And as Secretary of State I will remain a strong champion for Northern Ireland.

This includes supporting Bombardier in the ongoing trade case brought by Boeing.

There, we are clear that the unjustified action by Boeing, is simply not what we would expect of a long-term partner of the United Kingdom.

And everyone here and beyond can be reassured that we will continue to work with Bombardier to safeguard the jobs and livelihoods of over 4,000 skilled workers and their families in Belfast and across Northern Ireland, as well as all of those jobs that are linked to the supply chain too.

But unlocking the growth potential of Northern Ireland is not a job for one party alone.

We need everybody working together.

The UK Government.

A restored Executive.

And local leaders as well.

I have very much welcomed the supporting voice of the NI Local Government Association in stressing the need for the return of devolved government.

And to all elected representatives here today I ask you to take this message back to your parties, to play your part in delivering a resolution and underline just how important the restoration of devolved government is:

- for business
- for ordinary people
- for economic progress
- and for Northern Ireland as a whole.

Let us work together, as partners, to respond to the challenges and harness the clear opportunities ahead, and let's get on with delivering the bright

positive future for NI we know we can achieve together.